

UNAPPROVED

MINUTES

SPECIAL SELECTMEN'S MEETING

NOVEMBER 20, 2008

@ North Haven Memorial Town Hall Conference Room #1

9:00 a.m.

A special meeting of the Board of Selectmen was called to order at 9:00 a.m. by First Selectman Janet M. McCarty. Also present were Second Selectman, Stephen A. Fontana and Third Selectman, Michael J. Freda.

There were no public comments relative to the agenda.

Mr. Fontana made a motion to approve the following resolution:

Connecticut State Library Historic Documents Preservation Grant

RESOLVED: that Janet M. McCarty, First Selectman, is empowered to execute and deliver in the name and on behalf of this municipality a contract with the Connecticut State Library for an Historic Documents Preservation Grant

Ms. McCarty explained that we are receiving a \$7,000.00 grant and that Mr. Fontana was instrumental in getting the law passed that allocated this money.

Voted: McCarty – yes, Fontana – yes, Freda – yes

Ms. McCarty introduced John Parese, town attorney, who explained the revised resolution authorizing Assignment of Incremental Property Tax Revenues to the Connecticut Development Authority, the Connecticut Brownfields Redevelopment Authority and any other subsidiary of the Connecticut Development Authority established pursuant to subsection (l) of Section 32-11a of the Connecticut General Statutes (hereinafter referred to as the "Issuer"), as approved by Special Town Meeting on September 25, 2008 for the purpose of assisting the acquisition, development, redevelopment or productive reuse of real property and the construction of improvements within the Municipality known as 300 Universal Drive North, and also known as North Haven Commons; and further authorizing the First Selectman, as the Authorized Officer of the Town of North Haven, to prepare, execute and submit to the Issuer an application and other necessary information with respect to the Municipality and the Project (the "Application"), as may be required by the Issuer in connection with the Issuer's property tax increment financing program. (see attached resolution in its entirety)

Mr. Parese noted that the town had already authorized a grant amount at a Special Town Meeting on September 25, 2008 not to exceed \$3,157,000 with payments of \$237,500 with a 6% interest rate. The amount of the authorization was decreased by the Connecticut Brownfields Redevelopment

Authority to a maximum of \$2,300,000 and it is a requirement for the Board of Selectmen to approve this new amount. Mr. Parese stated that the legal description of the property would not include the road that was accepted by the town. He further explained that in scheduling the annual payments, there will be a modest shortfall the first year and the payment in the second year will be a bit more than 50%. From the third year on, the payment would continue at the 50% rate since the development would be fully operational. Ms. McCarty noted that the Town would be paying less than in the original agreement regarding the real estate taxes and would still be receiving personal property taxes in the full amount.

Mr. Fontana made a motion to approve the resolution.

Voted: McCarty – yes, Fontana – yes, Freda – yes

The Board heard public comments.

Miriam Brody, 500 Elm Street #15-4, asked about the status of the trash negotiations. Ms. McCarty explained that they are ongoing.

Ms. McCarty made a motion to go into executive session to discuss pending litigation. John Parese, Carl Porto, and Thomas Morrison were invited to attend.

Voted: McCarty – yes, Fontana – yes, Freda – yes

The Board of Selectmen adjourned to executive session at 9:10 a.m.

The Board of Selectmen returned from executive session at 9:35 a.m.

Voted: McCarty – yes, Fontana – yes, Freda – yes

There being no further business to come before the Board, Ms. McCarty made a motion for adjournment at 9:35 a.m.

Voted: McCarty – yes, Fontana – yes, Freda – yes

TOWN OF NORTH HAVEN

RESOLUTIONS FOR ASSIGNMENT OF CERTAIN INCREMENTAL TAX REVENUES TO CONNECTICUT DEVELOPMENT AUTHORITY OR THE CONNECTICUT BROWNFIELDS REDEVELOPMENT AUTHORITY

WHEREAS, pursuant to Section 32-23zz of the Connecticut General Statutes, as amended (the “Enabling Legislation”), for the purpose of assisting a “remediation project”, as defined in the Enabling Legislation, the Connecticut Development Authority is authorized, upon resolution of the legislative body of a municipality, to issue and administer bonds, notes or other obligations which are payable solely or in part from and secured by: (A) a pledge of and lien upon any or all of the income, proceeds, revenues and property of a remediation project, including the proceeds of grants, loans, advances or contributions from the federal government, the state or any other source, including financial assistance furnished by the municipality or any other public body; (B) taxes or payments or grants in lieu of taxes allocated to and payable into a special fund of the Connecticut Development Authority, or (C) any combination of the foregoing; and

WHEREAS, a “remediation project” as defined in subsection (ii) of Section 32-23d of the Connecticut General Statutes, as amended, means any project (1) involving the development, redevelopment or productive reuse of real property within this State that (A) has been subject to a spill, as defined in Section 22a-452c, (B) is an establishment, as defined in subdivision (3) of Section 22a-134, (C) is a facility, as defined in 42 USC 9601(9), or (D) is eligible to be treated as polluted real property for purposes of Section 22a-133m or contaminated real property for purposes of Section 22a-133aa or Section 22a-133bb, provided the development, redevelopment or productive reuse is undertaken pursuant to a remediation plan meeting all applicable standards

and requirements of the Department of Environmental Protection, (2) that the Connecticut Development Authority determines will add or support significant new economic activity or employment in the municipality in which such project is located or will otherwise materially contribute to the economic base of the state or the municipality, and (3) for which assistance from the Connecticut Development Authority will be needed to attract necessary private investment; and

WHEREAS, pursuant to the Enabling Legislation, the Connecticut Development Authority may act through a subsidiary established pursuant to subsection (l) of 32-11a of the Connecticut General Statutes, which includes the Connecticut Brownfields Redevelopment Authority, and for purposes of these resolutions, each of the Connecticut Development Authority, the Connecticut Brownfields Redevelopment Authority and any other subsidiary of the Connecticut Development Authority established pursuant to subsection (l) of Section 32-11a of the Connecticut General Statutes is referred to as the “Issuer”; and

WHEREAS, on September 25, 2008 the Town of North Haven (the “Municipality”), acting through its Town Meeting, for the purpose of assisting the acquisition, development, redevelopment or productive reuse of real property and the construction of improvements within the Municipality known as 300 Universal Drive North, and also known as North Haven Commons and more particularly described in Exhibit A, attached to and made a part hereof, for purposes of remediating the property and the construction of a retail center of approximately 196,500 square feet (the “Project”) as a “remediation project”, as defined above, for the benefit of North Haven Commons Development, Limited Partnership (the “Owner”), approved a request that the Issuer issue and administer bonds, notes or other obligations in an aggregate principal amount of up to \$2,300,000, which shall bear interest at an annual rate that will be the higher of

6% per annum or the market rate for similar obligations on the date of the closing of the grant and the execution of the Agreement, which principal and interest shall be repaid by the Municipality to the Issuer in accordance with the scheduled payments shown on Exhibit B attached hereto and made a part hereof, plus any shortfall on the scheduled payments (the “Obligations”); and

WHEREAS, the Project will involve the productive reuse of polluted or contaminated real property and will add or support significant new economic activity or employment in the Municipality and the Municipality has determined that participation in the Issuer's property tax increment financing program for remediation projects on the terms and conditions set forth in the following resolutions is in the best interests of the Municipality; and

WHEREAS, the Obligations will be general obligations of the Issuer payable from and secured by the revenues, receipts, funds and moneys of the Issuer not otherwise pledged or encumbered for specific purposes; and

WHEREAS, to secure and provide for the payment of the Obligations and as contemplated by the Enabling Legislation and in consideration of such financial assistance from the Issuer for the Project, the Municipality and all other taxing agencies in the Municipality (collectively, the “Taxing Agencies”) are prepared to pledge to the Issuer and grant to the Issuer a lien upon certain incremental property tax revenues with respect to the Project, for deposit to a special fund of the Issuer, which revenues and special fund shall constitute general revenues, receipts, funds and moneys of the Issuer not otherwise pledged or encumbered for a specific purpose, and, together with other such general revenues, receipts, funds and money of the Issuer, shall be pledged to secure the Obligations and shall be deposited into a special fund of the Issuer for the purpose of payment of the Obligations, and (ii) authorize the Issuer to exercise with

respect thereto the rights provided for in Section 12-195h of the Connecticut General Statutes of an assignee for consideration of any lien filed to secure the payment of such taxes, all pursuant to the Enabling Legislation and as more specifically provided in the following resolutions; and

WHEREAS, in order to consummate the above-described transactions, the Municipality needs to authorize the execution and delivery of the Assignment, the form of which is attached to these resolutions, and any other documents necessary or appropriate to consummate and give effect to the transactions contemplated by these resolutions; and

WHEREAS, the pledge to the Issuer of and grant to the Issuer of a lien upon such incremental property tax revenues shall be evidenced in the Assignment, which shall provide, among other things, that in each fiscal year (i) that portion of the assessed property taxes which would be produced by applying that fiscal year's tax rate of each of the Taxing Agencies to the total sum of the assessed value of the Project on the date of adoption of these resolutions shall be allocated to and when collected shall be paid into the funds of the respective Taxing Agencies in the same manner as taxes by or for said Taxing Agencies on all other property are paid, and (ii) that portion of such assessed property taxes in excess of the amount referred to in subdivision (i) above (the "Incremental Property Tax Revenues") shall be allocated to and when collected shall be paid into a special fund of the Issuer as general revenues, receipts, funds and moneys of the Issuer available to the Issuer to meet its general obligations, including with respect to the Obligations and shall for that purpose be deposited into a special fund of the Issuer; provided however, until there is a shortfall, the Taxing Agencies shall be required to pay into the special fund of the Issuer the lesser of the scheduled payment shown on Exhibit B attached hereto or the Incremental Property Tax Revenues. After a shortfall, the Taxing Agencies shall pay into the special fund of the Issuer the full amount of Incremental Property Tax Revenues until there is no

longer an outstanding shortfall or, if the Incremental Property Tax Revenues exceed the amount of the shortfall, the Taxing Authorities shall pay into the special fund of the Issuer, the amount of the Incremental Property Tax Revenues necessary to fully discharge the shortfall; and

WHEREAS, the Assignment shall also provide that unless and until the total assessed valuation of the Project for property tax purposes exceeds the total assessed value of the Project on the date of adoption of these resolutions, all of the property taxes levied and collected upon the Project shall be paid into the funds of the respective Taxing Agencies; and

WHEREAS, the Assignment shall also provide that such Assignment shall remain in effect and the above-described portion of Incremental Property Tax Revenues when collected shall continue to be paid over to such special fund of the Issuer through and including the date on which the Issuer has received Incremental Property Tax Revenues in an aggregate amount sufficient to pay and discharge in full the Obligations, and all moneys thereafter received from taxes upon the Project shall be paid into the funds of the respective Taxing Agencies in the same manner as taxes on all other property are paid; and

WHEREAS, the Assignment shall also provide that the Issuer may exercise the rights provided for in Section 12-195h of the Connecticut General Statutes of an assignee for consideration of any lien filed to secure the payment of the Incremental Property Tax Revenues; and

WHEREAS, it is intended that the following resolutions constitute all necessary and sufficient action by and on behalf of the Municipality to authorize participation in the Issuer's property tax increment financing program for remediation projects pursuant to the Enabling Legislation, all on the terms and conditions set forth in the following resolutions;

**THEREFORE, BE IT RESOLVED BY THE BOARD OF SELECTMEN OF THE
MUNICIPALITY:**

Section 1. The participation by the Municipality in the Issuer's property tax increment financing program for remediation projects is hereby authorized and approved with respect to the Project, and the Municipality hereby requests that the Issuer issue and administer the Obligations for the purpose of assisting the Project. The First Selectman of the Municipality (the "Authorized Officer"), is authorized to prepare, execute and submit to the Issuer an application and other necessary information with respect to the Municipality and the Project (the "Application"), as may be required by the Issuer in connection with the Issuer's property tax increment financing program.

Section 2. The pledge to the Issuer of and grant to the Issuer of a lien upon the Incremental Property Tax Revenues with respect to the Project to secure and provide for the payment of the Obligations, the grant to the Issuer of the rights provided for in Section 12-195h of the General Statutes of an assignee for consideration of any lien filed to secure the payment of the Obligations and the form of the Assignment are all hereby authorized and approved; and

Section 3. Any Authorized Officer is authorized on behalf of the Municipality to execute and deliver the Application, to negotiate, execute and deliver the Assignment and any and all other agreements, documents, instruments, certificates and notices, including making such representations or agreements and taking such further action as are necessary or appropriate to consummate and give effect to the transactions contemplated by these resolutions.

Section 4. For purposes of these resolutions, references to the Issuer shall include any governmental or other entity succeeding generally to the rights and interests of the Issuer, by

operation of law and any assignee of the rights and interests of the Issuer under and pursuant to the Assignment, including any trustee with respect to the Obligations.

Section 5. The Municipality does hereby pledge and agree with the Issuer, the holders of the Obligations, if any and any provider or reimbursement party with respect to any credit enhancement for the Obligations that the Municipality will not limit, alter or terminate the rights vested in the Issuer pursuant to these resolutions, the Assignment or any other agreement necessary or appropriate to consummate and give effect to the transactions contemplated by these resolutions until the Obligations have been paid and discharged in full.

Section 6. This assignment of certain tax increment revenue to the Issuer shall not constitute a debt of the Town of North Haven and this shall be reflected in any agreements necessary or appropriate to consummate the transaction.

Exhibit A
Description of the Property

ALL THAT CERTAIN PIECE OR PARCEL OF LAND WITH ANY BUILDINGS AND IMPROVEMENTS THEREON LOCATED IN THE TOWN OF NORTH HAVEN, COUNTY OF NEW HAVEN AND STATE OF CONNECTICUT, SAID PARCEL MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHWESTERLY STREET LINE OF UNIVERSAL DRIVE, THENCE THE FOLLOWING COURSES AND DISTANCES ALONG LAND NOW OF FORMERLY OF GALILEO CMBS T1 IG LLC:

S $88^{\circ}47'48''$ W, 284.65 FEET TO A POINT;
N $86^{\circ}12'12''$ W, 235.00 FEET TO A POINT;
S $03^{\circ}47'48''$ W, 30.00 FEET TO A POINT;
N $86^{\circ}12'12''$ W, 202.96 FEET TO A POINT;

THENCE THE FOLLOWING COURSES AND DISTANCES ALONG LANDS NOW OR FORMERLY OF THE STATE OF CONNECTICUT:

SOUTHERLY $412' \pm$ ALONG THE EASTERLY EDGE OF A MARSH TO A POINT;
N $77^{\circ}01'57''$ W, 30.00 FEET TO A POINT;
S $19^{\circ}58'03''$ W, 491.82 FEET TO A POINT ON THE EASTERLY HIGH WATER LINE OF THE QUINNIPIAC RIVER;

THENCE SOUTHEASTERLY $840' \pm$ ALONG SAID EASTERLY HIGH WATER LINE OF THE QUINNIPIAC RIVER TO A POINT;

THENCE THE FOLLOWING COURSES AND DISTANCES ALONG LAND TO BE DEEDED TO THE TOWN OF NORTH HAVEN:

S $67^{\circ}01'22''$ E, $111.0' \pm$ TO A POINT,
ALONG A CURVE TO THE RIGHT, CENTRAL ANGLE $12^{\circ}40'29''$, RADIUS 570.96 FEET, ARC LENGTH 126.31 FEET TO A POINT;
THENCE N $12^{\circ}58'03''$ E, 788.91 FEET TO A POINT;
ALONG A CURVE TO THE RIGHT, CENTRAL ANGLE $27^{\circ}23'41''$, RADIUS 260.50 FEET, ARC LENGTH 124.55 FEET TO A POINT;
ALONG A CURVE TO THE RIGHT, CENTRAL ANGLE $14^{\circ}07'34''$, RADIUS 429.07 FEET, ARC LENGTH 105.79 FEET TO A POINT;
ALONG A CURVE TO THE LEFT, CENTRAL ANGLE $81^{\circ}04'37''$, RADIUS 40.00 FEET, ARCE LENGTH 56.60 FEET TO A POINT ON THE SOUTHWESTERLY STREET LINE OF UNIVERSAL DRIVE;

THENCE THE FOLLOWING COURSES AND DISTANCES ALONG SAID SOUTHWESTERLY STREET LINE OF UNIVERSAL DRIVE:

ALONG A CURVE TO THE RIGHT, CENTRAL ANGLE $19^{\circ}18'34''$, RADIUS 566.98 FEET, ARC LENGTH 191.08 FEET TO A POINT;
ALONG A CURVE TO THE LEFT, CENTRAL ANGLE $04^{\circ}54'14''$, RADIUS 716.00 FEET, ARC LENGTH 61.28 FEET TO THE POINT AND PLACE OF BEGINNING, CONTAINING $799,400 \pm$ SQUARE FEET OR $18.35 \pm$ ACRES.

Exhibit B

Schedule of Payments

	July 1	January 1	Total
Year 1:	\$118,750.00	\$118,750.00	\$237,500
Year 2:	\$118,750.00	\$118,750.00	\$237,500
Year 3:	\$118,750.00	\$118,750.00	\$237,500
Year 4:	\$118,750.00	\$118,750.00	\$237,500
Year 5:	\$118,750.00	\$118,750.00	\$237,500
Year 6:	\$118,750.00	\$118,750.00	\$237,500
Year 7:	\$118,750.00	\$118,750.00	\$237,500
Year 8:	\$118,750.00	\$118,750.00	\$237,500
Year 9:	\$118,750.00	\$118,750.00	\$237,500
Year 10:	\$118,750.00	\$118,750.00	\$237,500
Year 11:	\$118,750.00	\$118,750.00	\$237,500
Year 12:	\$118,750.00	\$118,750.00	\$237,500
Year 13:	\$118,750.00	\$118,750.00	\$237,500
Year 14:	\$118,750.00	\$118,750.00	\$237,500
Year 15:	\$118,750.00	\$118,750.00	\$237,500

Notes RE:

Exhibit A

Description of Property

Will insert legal description of North Haven Commons Property without roadway to be deeded to Town.

Exhibit A

Schedule of Payments

Per 11/18/08 telephone conversation with Ed Swinkoski:

Base tax assessment as of date of application:	\$ 9,288,180
Anticipated assessment after completion:	<u>\$19,180,910</u>
Incremental increase in assessment:	\$ 9,892,730
 Incremental increase in real estate taxes:	 \$ 475,000
	<u>x 50%</u>
	= 237,500

Therefore, the Town will be paying \$237,500 annually, in two semi-annual installments of \$118,750. However, the buildings were not completed for the 10/1/08 Grand List assessment; therefore our actual incremental tax increase will be less.

*Incremental tax increase (roughly):

Year 1: \$211,000 therefore, Town will be paying approximately \$26,000 more than the actual incremental tax increase.

Year 2: \$457,000 therefore, Town will be paying \$237,500 and getting an additional \$219,000 (somewhat less than 50-50 split).

Year 3 and thereafter: Town will be receiving additional \$475,000 in taxes and paying half of it to CBRA.

*Assuming a constant mill rate, and no estimate for increase in personal property taxes.